ORIGINAL

FILM DISTRIBUTION AGREEMENT

THIS AGREEMENT, made this 19th day of June 1970 by and between the SIERRA CLUB, a non-profit California corporation ("Distributor"), BRUTON R. PETERSON and JAMES RASCOE ("Producers"), and the UNIVERSITY OF SOUTHERN CALIFORNIA, a non-profit California corporation ("the University"),

W I T N E S S E T H :

WHEREAS, Producers are engaged in producing an educational motion picture, under the auspices of the University, concerning the Mineral King area of the Sierra Nevada mountains; and

WHEREAS, the Sierra Club Foundation, a non-profit California corporation, has approved an expenditure of One Thousand Five Hundred Dollars ($1,500) to be used by Producers for financing production of such motion picture; and

WHEREAS, Producers, Distributor and the University desire to enter into a contract which will provide for production of such motion picture and its distribution by Distributor.

NOW, THEREFORE, in consideration of the mutual covenants and untertakings hereinafter contained and in consideration of the expenditures by the Sierra Club Foundation referred to above, Producer, Distributor, and the University hereby mutually agree as follows:

1. Upon receipt of the aforesaid grant of One Thousand Five Hundred Dollars ($1,500), Producers agree to complete and to tender to Distributor no later than September 30, 1970, a standard, 16-millimeter color and sound motion picture, not to exceed 28 minutes in length, concerning the

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Mineral King area of the Sierra Nevada mountains. Such tender to Distributor shall be accompanied by a letter to Distributor stating the fact of such tender and shall include Master Picture Rolls edited in A & B (or A, B & C) plus one composite magnetic sound track, one separate narration soundtrack, and one separate music and effects soundtrack (hereafter "the negatives"), together with one composite answer print (sometimes called a "first trial print"). All the negatives tendered shall be synchronized and otherwise in a condition suitable for manufacture of 16-millimeter duplicate negatives and positive prints at Distributor's designated laboratory. The negatives and the first trial print shall be tendered to Distributor at Producers' expense at the location and agency in the United States specified by Distributor.

Distributor shall have complete and unlimited access to said negatives for the purpose of having duplicate negatives and/or 16-millimeter positive prints made therefrom. Said duplicate negatives and positive prints are to be made by Distributor at its expense and are to be deemed the property of Distributor to be used in accordance with provisions of this Agreement. Distributor agrees to exercise due caution in the handling and storage of negatives delivered by Producers, and neither Producers nor the University will hold Distributor liable for any damage or loss of said negatives, whether in the hands of Distributor or Distributor's agents.

2. Upon such tender to Distributor, and no later than ten (10) days after receipt by it of the first trial print, Distributor shall elect in writing whether to accept or reject the tender of such motion picture pursuant to this Agreement. Such election may also be made at any earlier

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time, such as at a review of the final interlock. If Distributor shall elect to reject such tender, no party hereto shall have any further obligation or liability hereunder to any other party. If Distributor elects to accept the tender of such motion picture, the following provisions, numbered 3-8 shall apply.

3. Distributor shall upon acceptance of the tender proceed promptly to take the necessary steps to prepare duplicate negatives, and shall have the exclusive right to reproduce therefrom copies of such motion picture by such process as it shall elect, and shall have the exclusive worldwide rights to distribute, rent, sell, donate or otherwise exploit such motion picture in any manner.

4. The University will secure and maintain copyright registration in its name for such motion picture, and the original negatives shall remain the property of the University, with custody thereof permanently held by the Distributor for purposes of making additional reproductions thereof.

5. Credits for the motion picture and advertisements therefor shall refer to the film as "Produced for The Sierra Club by Bruton R. Peterson and James Rascoe".

6. Producers warrant that they have and shall have the right to provide for distribution of such motion picture pursuant to this Agreement. Producers warrant and guarantee that no sound or film material used in such motion picture shall violate or infringe on any trade-mark, trade name, copyright, literary, artistic, musical, motion picture or dramatic right, or any personal, private, civic

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or property right or the right or rights of privacy of any person, firm or corporation, and may be used by Distributor for each and all of the purposes for which rights are granted herein. Producers agree that all films tendered for distribution hereunder shall at the time of such tender be free and clear of any and all liens affecting the right of Distributor to effect distribution hereunder.

Producers agree to protect and indemnify Distributor against any and all claims arising against such motion picture with respect to violation or infringement of said rights.

Notwithstanding the foregoing provisions of this paragraph, the damages recoverable by Distributor against Producers shall be limited to those which are directly and proximately caused by such violation or infringement and shall exclude (without limiting the generality of said exclusion) damages for loss of good will by Distributor or by any other person.

7. Distributor agrees to pay Producers a royalty on each print sold by Distributor or its sub-distributors, said royalty to be six percent (6%) to Bruton R. Peterson and an additional six percent (6%) to James Rascoe of the selling price of each color positive print, or of sums received by Distributor for the rental of such prints or sale of any other rights in such motion picture. It is agreed that the "selling price" referred to herein is defined as the retail list price or Special Price charged by Distributor before any deduction for sales commission and/or sales discount. No royalty payment whatsoever is to be made on prints which are used for preview or demonstration purposes by Distributor or its sub-distributors, or given away by Distributor

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for charitable purposes, and no royalty payment whatsoever is to be made on replacement footage sold by Distributor under its established policies. It is further agreed that royalties on rental of such prints and sale of any other rights in such motion picture shall be determined after deduction from gross rental or selling price agents' fees and/or sales commissions paid to persons other than Producers' employees. The University expressly waives any right to receive royalties or any other payments from Distributor or others in consideration of Distributor's agreement to pay the foregoing royalties to Producers.

8. Distributor agrees to account to Producers on a semi-annual basis, and reports and payments for such motion picture covered by this Agreement shall be made within sixty (60) days after the end of each calendar half-year period. Producers, or their authorized representative, shall have the right at all reasonable times to examine the books and records of Distributor, insofar as they pertain to receipts from transactions involving such motion picture covered by this Agreement, for the purpose of verifying the accuracy of any statement made to Producers pursuant to the provisions of this paragraph.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed the day and year first above written.

SIERRA CLUB

By J. Michael McCloskey
Its Executive Director

Bruton R. Peterson

James Rascoe

UNIVERSITY OF SOUTHERN CALIFORNIA

By
Its

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